UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13A-16 OR 15D-16
OF THE SECURITIES EXCHANGE ACT OF 1934

For the six months ended September 30, 2020

Commission File Number 001-39360

SKILLFUL CRAFTSMAN EDUCATION TECHNOLOGY LIMITED

(Translation of registrant's name into English)

Floor 4, Building 1, No. 311, Yanxin Road
Huishan District, Wuxi
Jiangsu Province, PRC 214000

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐.

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐.

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's "home country"), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

INFORMATION CONTAINED IN THIS FORM 6-K REPORT

Attached as Exhibit 99.1 to this report are the unaudited consolidated financial statements of Skillful Craftsman Education Technology Limited (the "Company") as of September 30, 2020 and for the six months ended September 30, 2020 and 2019.

Attached as Exhibit 99.2 to this report is an Operating and Financial Review and Prospects for the Company's six months ended September 30, 2020 and 2019.

Attached as Exhibit 99.3 to this report is a press release of the Company, dated January 14, 2021, regarding the Company's financial results for the six months ended September 30, 2020.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This report on Form 6-K and the exhibits hereto contain "forward-looking statements" for purposes of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 that represent our beliefs, projections and predictions about future events. All statements other than statements of historical fact are "forward-looking statements," including any projections of earnings, revenue or other financial items, any statements of the plans, strategies and objectives of management for future operations, any statements concerning proposed new projects or other developments, any statements regarding future economic conditions or performance, any statements of management's beliefs, goals, strategies, intentions and objectives, and any statements of assumptions underlying any of the foregoing. Words such as "may", "will", "should", "could", "would", "predicts", "potential", "continue", "expects", "anticipates", "future", "intends", "plans", "believes", "estimates" and similar expressions, as well as statements in the future tense, identify forward-looking statements.

These statements are necessarily subjective and involve known and unknown risks, uncertainties and other important factors that could cause our actual results, performance or achievements, or industry results, to differ materially from any future results, performance or achievements described in or implied by such statements. Actual results may differ materially from expected results described in our forward-looking statements, including with respect to correct measurement and identification of factors affecting our business or the extent of their likely impact, and the accuracy and completeness of the publicly available information with respect to the factors upon which our business strategy is based or the success of our business.

Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of whether, or the times by which, our performance or results may be achieved. Forward-looking statements are based on information available at the time those statements are made and management's belief as of that time with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Important factors that could cause such differences include, but are not limited to, those factors discussed more fully under the headings "Item 3. Key Information—D. Risk Factors" and elsewhere in our Form 20-F filed with the Securities and Exchange Commission ("SEC") on August 17, 2020, in this report on Form 6-K and the exhibits hereto.

EXHIBIT INDEX

Exhibit Number	Description
99.1	Unaudited Consolidated Financial Statements of the Company as of September 30, 2020 and for the six months ended September 30, 2020 and 2019
99.2	Operating and Financial Review and Prospects for the six months ended September 30, 2020 and 2019
99.3	Press Release of the Company titled “Skillful Craftsman Announces Financial Results for The First Six Months of Fiscal Year 2021”

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

	SKILLFUL CRAFTSMAN EDUCATION TECHNOLOGY LIMITED (Registrant)
Date: January 14, 2021	By: /s/ Xiaofeng Gao Xiaofeng Gao Chief Executive Officer and Chairman of the Board of Directors

Exhibit 99.1

SKILLFUL CRAFTSMAN EDUCATION TECHNOLOGY LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

AS OF SEPTEMBER 30, 2020 AND MARCH 31, 2020

AND

FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2020 AND 2019

SKILLFUL CRAFTSMAN EDUCATION TECHNOLOGY LIMITED

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statements

SKILLFUL CRAFTSMAN EDUCATION TECHNOLOGY LIMITED

CONSOLIDATED BALANCE SHEETS

	As of	
	September 30, 2020 (Unaudited)	March 31, 2020 (Audited)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 17,450,639	$ 11,931,714
Accounts receivable, net	103,069	78,785
Prepayments and other current assets	1,119,333	1,963,102
Other investments	8,000,000	-
Total current assets	**26,673,041**	**13,973,601**
Non-current assets		
Property and equipment, net	15,212,700	12,324,125
Intangible assets, net	19,146,875	19,294,740
Long-term prepayments and other non-current assets	68,526	97,035
Total non-current assets	**34,428,101**	**31,715,900**
TOTAL ASSETS	**$ 61,101,142**	**$ 45,689,501**
Current liabilities		
Accounts payable	$ 99,264	$ 249,086
Taxes payable	330,189	543,600
Amounts due to a related party	509,012	-
Other payables	996,436	227,525
Deferred revenue-current	12,250,372	16,736,365
Total current liabilities	**14,185,273**	**17,756,576**
Non-current liabilities		
Deferred revenue-non-current	1,597,510	50,877
Total non-current liabilities	**1,597,510**	**50,877**
TOTAL LIABILITIES	**$ 15,782,783**	**$ 17,807,453**
COMMITMENTS AND CONTIGENCIES		-
SHAREHOLDERS' EQUITY:		
Ordinary shares, 500,000,000 shares authorized; par value $0.0002 per share; 12,000,000 and 9,000,000 shares issued and outstanding as of 30 September, 2020 and 31 March, 2020, respectively	2,400	1,800
Additional paid-in capital	13,415,987	1,619,774
Statutory reserve	745,590	745,590
Retained earnings	31,313,865	26,921,172
Accumulated other component of equity:		
Foreign currency translation reserve	(159,483)	(1,406,288)
TOTAL SHAREHOLDERS' EQUITY	**45,318,359**	**27,882,048**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 61,101,142**	**$ 45,689,501**

The accompanying notes are an integral part of these consolidated financial statements.

SKILLFUL CRAFTSMAN EDUCATION TECHNOLOGY LIMITED

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

	For the six months ended September,	
	2020	2019
	(Unaudited)	(Unaudited)
Revenue	$ 15,313,780	$ 13,420,883
Cost of revenue	(6,826,879)	(5,350,363)
Gross profit	8,486,901	8,070,520
Operating expenses:		
Selling and marketing expenses	(879,812)	(776,903)
General and administrative expenses	(1,499,774)	(473,802)
Total operating expenses	(2,379,586)	(1,250,705)
Income from operations	**6,107,315**	**6,819,815**
Interest income	30,292	41,692
Others, net	(909)	(3,345)
Income before income taxes	**6,136,698**	**6,858,162**
Income tax expense	(1,744,005)	(1,724,099)
Net income	**$ 4,392,693**	**$ 5,134,063**
Other comprehensive income/(loss):		
Foreign currency translation adjustment	1,246,805	(1,020,318)
Total comprehensive income	**5,639,498**	**4,113,745**
Net earnings per ordinary share, basic and diluted	0.44	0.57
Weighted average number of ordinary shares, basic and diluted	10,000,000	9,000,000

The accompanying notes are an integral part of these consolidated financial statements.

SKILLFUL CRAFTSMAN EDUCATION TECHNOLOGY LIMITED

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)

	Number of Shares	Common stock	Additional paid-in capital	Statutory reserve	Retained earnings	Accumulated other component of equity- Foreign currency translation reserve	Total
Balance as of March 31, 2019	**9,000,000**	**$ 1,800**	**$ 1,619,774**	**$ 745,590**	**$ 16,945,947**	**$ (294,079)**	**$ 19,019,032**
Net income for the period	-	-	-		5,134,063	-	**5,134,063**
Appropriation to statutory reserve	-	-	-	-	-	-	-
Foreign currency translation adjustment	-	-	-	-	-	(1,020,318)	**(1,020,318)**
Balance as of September, 2019	**9,000,000**	**$ 1,800**	**$ 1,619,774**	**$ 745,590**	**$ 22,080,010**	**$ (1,314,397)**	**$ 23,132,777**
Balance as of March 31, 2020	**9,000,000**	**$ 1,800**	**$ 1,619,774**	**$ 745,590**	**$ 26,921,172**	**$ (1,406,288)**	**$ 27,882,048**
Net income for the period	-	-	-	-	4,392,693	-	4,392,693
Proceeds from IPO net off IPO expense	3,000,000	600	11,796,213	-	-	-	11,796,813
Foreign currency translation adjustment	-	-	-	-	-	1,246,805	1,246,805
Balance as of September 30, 2020	**12,000,000**	**$ 2,400**	**$ 13,415,987**	**$ 745,590**	**$ 31,313,865**	**$ (159,483)**	**$ 45,318,359**

The accompanying notes are an integral part of these consolidated financial statements.

SKILLFUL CRAFTSMAN EDUCATION TECHNOLOGY LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	For the six months ended September 30,	
	2020	**2019**
Cash flows from operating activities		
Net income	$ 4,392,693	$ 5,134,063
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation of property and equipment	1,657,961	1,069,520
Amortization of intangible assets	3,157,605	3,104,576
Loss on disposals of property and equipment	-	7,002
Changes in operating assets and liabilities:		
Accounts receivables	(24,284)	365,396
Prepayments and other current assets	(602,972)	(388,049)
Long-term prepayments and other non-current assets	28,509	(291,606)
Accounts payable	(149,822)	18,224
Amounts due to a related party	509,012	-
Deferred revenue	(2,939,360)	(1,732,645)
Other payables	768,911	187,950
Taxes payable	(213,411)	(692,252)
Net cash generated from operating activities	**6,584,842**	**6,782,179**
Cash flows from investing activities		
Purchases of property and equipment	(3,988,249)	(1,682,416)
Purchases of intangible assets	(2,254,100)	(4,043,574)
Purchases of other investments	(8,000,000)	-
Net cash used in investing activities	**$ (14,242,349)**	**$ (5,725,990)**
Cash flows from financing activities		
Proceeds from IPO net off IPO expenses	13,243,554	-
Net cash flows generated from financing activities	**13,243,554**	-
Effects of foreign currency translation	(67,122)	539,066
Net increase in cash and cash equivalents	5,518,925	1,595,255
Cash and cash equivalents at beginning of period	11,931,714	10,362,283
Cash and cash equivalents at end of period	**$ 17,450,639**	**$ 11,957,538**
Supplemental disclosures of cash flow information:		
Cash paid for income taxes	$ 1,974,038	2,327,558

The accompanying notes are an integral part of these consolidated financial statements.

1. Organization and basis of financial statements

Skillful Craftsman Education Technology Limited ("the Company") is an exempted company incorporated under the laws of Cayman Islands on June 14, 2019. The Company through its consolidated subsidiaries, variable interest entity (the "VIE") (collectively, the "Group") are principally engaged in the operation of vocational online education and technology services in the People's Republic of China (the "PRC"). Due to the PRC legal restrictions on foreign ownership and investment in the education business, the Company conducts its primary business operations through its VIE.

In preparation of its initial public offering in the United States, the Company completed a reorganization in 2019 whereby the Company became the ultimate parent entity of its subsidiaries and consolidated VIE. As part of the reorganization, the business operations of the consolidated subsidiaries and VIE were transferred to the Company. In return, the Company issued 7,740,000 ordinary shares and 1,800,000 ordinary shares to Mr. Gao Xiaofeng and Mr. Hua Lugang ("the Founders"), respectively ("the Reorganization").

As the Company, its subsidiaries and VIE are all under the control of the Founders, the Reorganization was accounted for as a transaction under common control in a manner similar to a pooling of interests. Therefore, the accompanying consolidated financial statements have been prepared as if the corporate structure of the Company had been in existence since the beginning of the periods presented. Furthermore, ordinary shares were recorded on their issuance dates and presented on a retroactive basis.

Details of the Company's subsidiaries and the VIE were as follows:

Name of Entity	Date of incorporation	Place of incorporation	Percentage of direct or indirect ownership by the Company	Principal activities
Subsidiaries:			**Direct**	
Easy Skills Technology Limited ("Hong Kong ES")	December 24, 2018	HK	100%	Holding company
Skillful Craftsman Network Technology (Wuxi) Co., Ltd. ("WOFE" or "Craftsman Wuxi")	January 16, 2019	PRC	100%	Investment holding
VIE:			**Indirect**	
Wuxi Kingway Technology Co., Ltd.("Wuxi Wangdao")	June 6, 2013	PRC	100%	Vocational online education and technology services

The Company established Hong Kong ES in December 2018 as its intermediary holding company. In January 2019, as part of the Reorganization described above, Hong Kong ES established WOFE in PRC and held all of the equity interest in the WOFE. In July 2019, WOFE entered into a series of contractual arrangements with the VIE and their shareholders as described below.

Contractual Arrangements

PRC laws and regulations stipulate that the foreign investment in China is restricted with regards to the provision of value-added telecommunication services and internet audio-visual program services. The operation of such businesses requires that the company holds the ICP license, which shall only be held by domestic companies. The Group's offshore holding company is not a domestic company under the PRC laws, thus not being qualified to hold ICP license.

Accordingly, the Group's offshore holding companies are not allowed to directly engage in the vocational online education and technology services business in China. To comply with PRC laws and regulations, the Group conducts all of its business in China through the VIE. Despite the lack of technical majority ownership, the Company has effective control of the VIE through a series of contractual arrangements (the “Contractual Agreements”) and a quasi-parent-subsidiary relationship exists between the Company and the VIE. The equity interests of the VIE are legally held by PRC individuals (the “Nominee Shareholders”). Through the Contractual Agreements, the Nominee Shareholders of the VIE effectively assign all their voting rights underlying their equity interests in the VIE to the WOFE, and therefore, the WOFE has the power to direct the activities of the VIE that most significantly impact its economic performance. The WOFE also has the right to receive economic benefits and obligations to absorb losses from the VIE that potentially could be significant to the VIE. Based on the above, the Company consolidates the VIE through its subsidiary in accordance with SEC Regulation SX-3A-02 and ASC810-10, *Consolidation: Overall.*

The following is a summary of the contractual agreements:

Exclusive Business Cooperation Agreements

Under the Exclusive Business Cooperation Agreements between WOFE and Wuxi Wangdao, dated July 17, 2019, WOFE has the exclusive right to provide Wuxi Wangdao with business support, technical support and consulting services related to its business operations in return for certain fees. Without WOFE’s prior written consent, Wuxi Wangdao may not accept any services subject to these agreements from any third party. The parties shall determine the service fees to be charged to Wuxi Wangdao under these agreements by considering, among other things, the complexity of the services, the time that may be spent for providing such services and the commercial value and specific content of the service provided. WOFE owns the intellectual property rights developed by either WOFE or Wuxi Wangdao in the performance of these agreements. These agreements became effective upon execution and will remain effective until terminated by WOFE.

Equity Interest Pledge Agreements

Under the Equity Interest Pledge Agreement, each of the shareholders pledged all of their equity interest in Wuxi Wangdao to WOFE so as to secure their obligations under the Equity Interest Pledge Agreement, the Exclusive Business Cooperation Agreement and the Authorization Agreement. If the shareholders of Wuxi Wangdao breach their respective contractual obligations, WOFE, as pledgee, will be entitled to certain rights, including the right to dispose the pledged equity interest. Pursuant to the agreement, the shareholders of Wuxi Wangdao shall not transfer, assign or otherwise create any new encumbrance on their respective equity interest in Wuxi Wangdao without prior written consent of WOFE. The equity pledge right held by WOFE will be terminated upon the fulfillment of all contract obligations and the full payment of all secured indebtedness by the Nominee Shareholders and Wuxi Wangdao.

Exclusive Purchasing Right Agreement

Under the Exclusive Purchasing Right Agreement among WOFE, Wuxi Wangdao, and its Nominee Shareholders, dated July 17, 2019, the Nominee Shareholders irrevocably granted WOFE or any third party designated by WOFE an exclusive purchasing right to purchase all or part of their equity interests in Wuxi Wangdao; provided that if the lowest price is permitted by applicable PRC laws, then that price shall apply. The Nominee Shareholders further agreed that they will neither create any pledge or encumbrance on their equity interests in Wuxi Wangdao, nor transfer, gift nor otherwise dispose of its equity interests in Wuxi Wangdao to any person other than WOFE or its designated third party. The Nominee Shareholders and Wuxi Wangdao agreed that they will operate the businesses in the ordinary course and maintain the asset value of Wuxi Wangdao and refrain from any actions or omissions that may affect their operating status and asset value. Furthermore, without WOFE’s prior written consent, the shareholders and Wuxi Wangdao agreed not to, among other things: amend the articles of association of Wuxi Wangdao; increase or decrease the registered capital of Wuxi Wangdao; sell, transfer, mortgage or dispose of in any manner any assets of Wuxi Wangdao or legal or beneficial interest in the business or revenues of Wuxi Wangdao; enter into any major contracts, except for contracts in the ordinary course of business (a contract with a price exceeding 100,000 shall be deemed a major contract); merge, consolidate with, acquire or invest in any person, or provide any loans; or distribute dividends.

Authorization Agreement

Under the Authorization Agreement, the Nominee Shareholders of Wuxi Wangdao authorized WOFE to act on their behalf as their exclusive agent and attorney with respect to all rights as shareholder, including but not limited to: (a) attending shareholders' meetings; (b) exercising all the shareholder's rights, including voting, that shareholders are entitled to under the laws of China and the Articles of Association of Wuxi Wangdao, including but not limited to the sale or transfer or pledge or disposition of shares held by the shareholders of Wuxi Wangdao in part or in whole; and (c) designating and appointing the legal representative, the executive director, supervisor, the chief executive officer and other senior management members of Wuxi Wangdao on behalf of the shareholders of Wuxi Wangdao.

Letter of Consent

Pursuant to the Letter of Consent executed by the spouses of the Nominee Shareholders of the VIE, the signing spouses unconditionally and irrevocably agreed that the equity interest in the VIE held by and registered in the name of their spouses, the Nominee Shareholders of Wuxi Wangdao, be disposed of in accordance with the Exclusive Purchasing Right Agreement, the equity interest pledge agreement and the authorization agreement described above, and that their spouses may perform, amend or terminate such agreements without their additional consent. Additionally, the signing spouses agreed not to assert any rights over the equity interest in the VIE held by their spouses. In addition, in the event that the signing spouses obtains any equity interest in the VIE held by their spouses for any reason, they agree to be bound by and sign any legal documents substantially similar to the contractual arrangements described above, as may be amended from time to time.

Risks in Relation to the VIE Structure

Based on the opinion of the Company's PRC legal counsel, (i) the ownership structure of the Group, including its subsidiaries in the PRC and VIE are not in violation with any applicable PRC laws and regulations; and (ii) each of the Contractual Agreements among the WOFE, the VIE and the Nominee Shareholders governed by PRC laws, are legal, valid and binding, enforceable against such parties.

However, uncertainties in the PRC legal system could cause the relevant regulatory authorities to find the current Contractual Agreements and businesses to be in violation of any existing or future PRC laws or regulations. If the Company, the WOFE or any of its current or future VIE are found in violation of any existing or future laws or regulations, or fail to obtain or maintain any of the required permits or approvals, the relevant PRC regulatory authorities would have broad discretion in dealing with such violations, which may include, but not limited to, revocation of business and operating licenses, being required to discontinue or restrict its business operations, restriction of the Group's right to collect revenues, being required to restructure its operations, imposition of additional conditions or requirements with which the Group may not be able to comply, or other regulatory or enforcement actions against the Group that could be harmful to its business. The imposition of any of these or other penalties may result in a material and adverse effect on the Group's ability to conduct its business. In addition, if the imposition of any of these penalties causes the Company to lose the rights to direct the activities of the VIE or the right to receive their economic benefits, the Company would no longer be able to consolidate the VIE.

The Group's business has been directly operated by the VIE. For the six months ended September 30, 2020 and 2019, the VIE contributed 100% and 100% of the Group's consolidated revenues, respectively. As of September 30, 2020 and March 31, 2020, the VIE accounted for an aggregate of 81% and 100%, respectively, of the consolidated total assets, and 95% and 100%, respectively, of the consolidated total liabilities. The following financial statement balances and amounts of the Company's VIE were included in the accompanying consolidated financial statements:

	As of,	
	September 30, 2020 (Unaudited)	March 31, 2020 (Audited)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 13,299,033	$ 11,931,714
Accounts receivable, net	103,069	78,785
Prepayments and other current assets	1,586,991	1,963,102
Total current assets	**14,989,093**	**13,973,601**
Non-current assets:		
Property and equipment, net	15,212,700	12,324,125
Intangible assets, net	19,146,875	19,294,740
Long-term prepayments and other non-current assets	68,526	97,035
Total non-current assets	**34,428,101**	**31,715,900**
TOTAL ASSETS	**$ 49,417,194**	**$ 45,689,501**
Current liabilities:		
Accounts payable	$ 99,264	$ 249,086
Taxes payable	330,189	543,600
Amounts due to a related party	256,971	-
Other payables	324,617	227,525
Deferred revenue-current	12,250,372	16,736,365
Total current liabilities:	**13,261,413**	**17,756,576**
Non-current liabilities:		
Deferred revenue-noncurrent	1,597,510	50,877
Total non-current liabilities	**1,597,510**	**50,877**
TOTAL LIABILITIES	**14,858,923**	**17,807,453**

	For the six months ended September 30,	
	2020	2019
	(Unaudited)	(Unaudited)
Revenue	$ 15,313,780	$ 13,420,883
Net income	$ 5,403,520	$ 5,141,265

	For the six months ended September 30,	
	2020	2019
	(Unaudited)	(Unaudited)
Net cash generated from operating activities	$ 8,823,006	$ 6,789,381
Net cash used in investing activities	(6,242,349)	(5,725,990)
Net cash generated from financing activities	-	-
Net increase in cash and cash equivalents	1,367,444	1,595,058

There are no consolidated VIE's assets that are pledged or collateralized for the VIE' obligations and which can only be used to settle the VIE's obligations, except for registered capital and the PRC statutory reserves. Relevant PRC laws and regulations restrict the VIE from transferring a portion of their net assets, equivalent to the balance of their statutory reserves and its share capital, to the Company in the form of loans and advances or cash dividends. As the VIE is incorporated as a limited liability company under the PRC Company Law, creditors of the VIE do not have recourse to the general credit of the Company for any of the liabilities of the VIE. There were no other pledges or collateralization of the VIE's assets.

2. Summary of Significant Accounting Policies

a) Basis of presentation

The accompanying consolidated financial statements have been prepared in accordance with the accounting principles generally accepted in the United States of America ("US GAAP").

b) Principles of consolidation

The consolidated financial statements include the financial statements of the Company, its subsidiaries and the VIE. All significant inter-company transactions and balances between the Company, its subsidiaries and the VIE have been eliminated upon consolidation.

c) Use of estimates

In preparing the consolidated financial statements in conformity with US GAAP, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are based on information as of the date of the consolidated financial statements. Significant estimates required to be made by management include, but are not limited to, the valuation of accounts receivable, prepayments, and other receivables, useful lives of property and equipment and intangible assets, the recoverability of long-lived assets and provision necessary for contingent liabilities. Actual results could differ from those estimates.

d) Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash accounts, interest bearing savings accounts and time certificates of deposit with a maturity of three months or less when purchased. The Group considers all highly liquid investment instruments with an original maturity of three months or less from the date of purchase to be cash equivalents. The Group maintains most of the bank accounts in the PRC. Cash balances in bank accounts in PRC are not insured by the Federal Deposit Insurance Corporation or other programs.

e) Accounts receivable, net

Accounts receivable are recognized and carried at original invoiced amount less an estimated allowance for uncollectible accounts. The Group usually determines the adequacy of reserves for doubtful accounts based on individual account analysis and historical collection trends. The Group establishes a provision for doubtful receivables when there is objective evidence that the Group may not be able to collect amounts due. The allowance is based on management's best estimates of specific losses on individual exposures, as well as a provision on historical trends of collections. Based on management of customers' credit and ongoing relationship, management makes conclusions whether any balances outstanding at the end of the period will be deemed uncollectible on an individual basis and on aging analysis basis. The provision is recorded against accounts receivables balances, with a corresponding charge recorded in the consolidated statements of income and comprehensive income. Delinquent account balances are written-off against the allowance for doubtful accounts after management has determined that the likelihood of collection is not probable.

f) Investments

Short-term investments

All highly liquid investments with original maturities of greater than three months, but less than twelve months, are classified as short-term investments. Investments that are expected to be realized in cash during the next twelve months are also included in short-term investments.

Equity investments with and without readily determinable fair value

As per ASC Topic 321, the Company has elected to measure other investments that is without a readily determinable fair value and that does not qualify for the practical expedient to estimate fair value at its cost minus impairment. Management regularly evaluates the impairment of the cost method investments based on performance and financial position of the investee as well as other evidence of market value. Such evaluation includes, but is not limited to, reviewing the investee's cash position, recent financing, projected and historical financial performance, cash flow forecasts and financing needs. An impairment loss is recognized in earnings equal to the excess of the investment's cost over its fair value at the balance sheet date for which the assessment is made. The fair value would then become the new cost basis of investment.

g) Property and equipment, net

Property and equipment are recorded at cost including the cost of improvements and stated at cost less accumulated depreciation. Maintenance and repairs are charged to expense as incurred. Depreciation and amortization are provided on the straight line method based on the estimated useful lives of the assets as follows:

Server hardware	5 years
Vehicles	5 years

Expenditures for maintenance and repairs, which do not materially extend the useful lives of the assets, are charged to expense as incurred. Expenditures for major renewals and betterment which substantially extend the useful life of assets are capitalized. The cost and related accumulated depreciation of assets retired or sold are removed from the respective accounts, and any gain or loss is recognized in the consolidated statements of operations and comprehensive income in other income or expenses.

Direct costs that are related to the construction of property and equipment and incurred in connection with bringing the assets to their intended use are capitalized as construction in progress. Construction in progress is transferred to specific property and equipment, and the depreciation of these assets commences when the assets are ready for their intended use.

h) Intangible assets

Intangible assets with definite lives are carried at cost less accumulated amortization. Amortization of definite-lived intangible assets is computed using the straight-line method over the estimated average useful lives, which are as follows:

Acquired software	5 years
Purchased courseware	5 years
Copyrights	5 years

Courseware development in progress referred to the assets that the Company engaged another third party to develop but has not been available to use. It will be transferred to intangible assets once the development is finished.

i) Fair value of financial instruments

The fair value of a financial instrument is defined as the exchange price that would be received from an asset or paid to transfer a liability (as exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. The carrying amounts of financial assets and liabilities, such as cash and cash equivalents, deposits , accounts receivable, financial instruments available for sale, accounts payable, and other current liabilities, approximate their fair values because of the short maturity of these instruments and market rates of interest.

As of September 30, 2020 and March 31, 2020, other investments amounted to $ 8,000,000 and Nil respectively. The Company invested $8,000,000 in Oakwise Value Fund SPC("Oakwise Fund") on August 5, 2020. If this investment is redeemed in less than one year, the Company may be subject to a fee of up to 3% of the fair value of the investment. The fee up to 3% may be waived at the discretion of Oakwise Fund. The Company plans to liquidate this investment within such one-year period.

ASC 825-10 requires certain disclosures regarding the fair value of financial instruments. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three-level fair value hierarchy prioritizes the inputs used to measure fair value. The hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 - Quoted prices in active markets for identical assets and liabilities.

- Level 2 - Quoted prices in active markets for similar assets and liabilities, or other inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The Group considers the carrying amount of its financial assets and liabilities, which consist primarily of cash and cash equivalents, deposits, accounts receivable, other investments, accounts payable, and other current liabilities, approximate their fair values because of the short maturity of these instruments and market rates of interest. As of September 30, 2020 and March 31, 2020 owing to their short-term nature or present value of the assets and liabilities.

j) Prepayments and other current assets

Prepayments and other current assets included prepaid insurance fee, prepaid resource usage fee, prepaid virtual simulation software fee, guarantee deposit, and short-term deferred expense.

k) Revenue recognition

The Group has adopted Accounting Standards Codification Topic 606, "Revenue from Contracts with Customers" ("ASC 606") effective as of April 1, 2018. The Group has chosen to use the full retrospective transition method, under which it is required to revise its consolidated financial statements for the year ended March 31, 2017, as if ASC 606 had been effective for those periods. Under ASC 606, the Group recognizes revenue when a customer obtains control of promised goods, in an amount that reflects the consideration which the Group expects to receive in exchange for the goods. To determine revenue recognition for arrangements within the scope of ASC 606, the Group performs the following five steps: (1) identify the contracts with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when or as the entity satisfies a performance obligation. The Group applies the five-step model to contracts when it is probable that the entity will collect the consideration it is entitled to in exchange for the goods it transfers to the customer.

In response to the outbreak of the COVID-19, Wuxi Wangdao launched the activity of "One Month For Free", which represented the courseware of Wuxi Wangdao was free of charge during February 1, 2020 to February 29, 2020, and the membership period of the existing paying-members was automatically extended for one month.

The membership services mainly provide access to online education services, which are accounted for as a single performance obligation as the membership services are highly integrated. These service fees are collected in lump-sum for a specific contracted service period when the service contract is signed and the revenues are recognized proportionally over the time throughout service period, as the Group concluded that the membership service represents a stand ready obligation to provide the services while the member simultaneously receives and consumes the benefits of such services throughout the contract period. Deferred revenue refers to the remaining unamortized amount of membership fee of online members paid in advance.

The Group also generates revenue from technology services including software development as well as comprehensive cloud services for private companies, academic institutions and government agencies in PRC, which is recognized proportionally over the time throughout service period.

l) Cost of revenue

Cost of revenue is mainly composed of copyright fee and related expenses for courseware and content development, website maintenance and information technology technicians and other employees, depreciation and amortization expenses, server management and bandwidth leasing fees paid to third-party providers and other miscellaneous expenses.

m) Allowance for doubtful accounts

Accounts receivable are recorded at original invoiced amount less an estimated allowance for uncollectible accounts. The management determines the adequacy of allowance for doubtful accounts based on individual account analysis and historical collection situation. When the management believes an allowance is necessary, the allowance is provided against accounts receivable balances, with a corresponding charge recorded in the statement of income. Delinquent account balances are written-off against the allowance for doubtful accounts when the collection is not probable. The Group considers there is no allowance for doubtful accounts for the six months ended September 30, 2020 and 2019.

n) Employee benefit expenses

All eligible employees of the Group are entitled to staff welfare benefits including medical care, welfare subsidies, unemployment insurance, pension benefits and housing funds through a PRC government-mandated multi-employer defined contribution plan. The Group is required to make contributions to the plan and accrues for these benefits based on certain percentages of the qualified employees' salaries. The Group recorded employee benefit expenses $8,778 and $23,553 of for six months ended September 30, 2020 and 2019, respectively.

o) Selling and marketing expenses

Selling and marketing are expensed as incurred in accordance with ASC 720-35. Among these, advertising and promotion costs were $478,881 and $500,139 for the six months ended September 30, 2020 and 2019, respectively.

p) Research and development costs

Research and development expenses consist of compensations and benefit expenses to the technology development personnel. Research and development expenses are primarily incurred in the development of new features and general improvement of the technology infrastructure to support its business operations. Research and development costs are expensed as incurred unless such costs qualify for capitalization as software development costs. In order to qualify for capitalization, (i) the preliminary project should be completed, (ii) management has committed to funding the project and it is probable that the project will be completed and the software will be used to perform the function intended, and (iii) it will result in significant additional functionality in the Group’s services. No research and development costs were capitalized for all years presented as the Group has not met all of the necessary capitalization requirements.

q) Income taxes

The Group follows the liability method of accounting for income taxes in accordance with ASC 740 (“ASC 740”), Income Taxes. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial reporting and tax bases of assets and liabilities using enacted tax rates that will be in effect in the period in which the differences are expected to reverse. The Group records a valuation allowance to offset deferred tax assets if based on the weight of available evidence, it is more-likely-than-not that some portion, or all, of the deferred tax assets will not be realized. The effect on deferred taxes of a change in tax rate is recognized in tax expense in the period that includes the enactment date of the change in tax rate.

The Group accounted for uncertainties in income taxes in accordance with ASC 740. Interest and penalties related to unrecognized tax benefit recognized in accordance with ASC 740 are classified in the consolidated statements of income as income tax expense.

r) Ordinary Shares

The Company accounts for repurchased ordinary shares under the cost method and include such treasury shares as a component of the common shareholders’ equity. Cancellation of treasury shares is recorded as a reduction of ordinary shares, additional paid-in capital and retained earnings, as applicable. An excess of purchase price over par value is allocated to additional paid-in capital first with any remaining excess charged entirely to retained earnings.

s) Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or significant influence, such as a family member or relative, shareholder, or a related corporation.

t) Statutory reserves

The Company's PRC subsidiaries are required to make appropriations to certain non-distributable reserve funds.

In accordance with China's Company Laws, the Company's PRC subsidiary that are Chinese companies, must make appropriations from their after-tax income (as determined under the Accounting Standards for Business Enterprises as promulgated by the Ministry of Finance of the People's Republic of China ("PRC GAAP")) to non-distributable reserve funds including (i) statutory surplus fund and (ii) discretionary surplus fund. The appropriation to the statutory surplus fund must be at least 10% of the after-tax income calculated in accordance with PRC GAAP. Appropriation is not required if the statutory surplus fund has reached 50% of the registered capital of the respective company.

Appropriation to the discretionary surplus fund is made at the discretion of the respective company.

Pursuant to the laws applicable to China's Foreign Investment Enterprises, the Company's subsidiaries that are foreign investment enterprises in China have to make appropriations from their after-tax income (as determined under PRC GAAP) to reserve funds including (i) general reserve fund, (ii) enterprise expansion fund and (iii) staff bonus and welfare fund. The appropriation to the general reserve fund must be at least 10% of the after tax income calculated in accordance with PRC GAAP. Appropriation is not required if the reserve fund has reached 50% of the registered capital of the respective company. Appropriations to the other two reserve funds are at the respective company's discretion. The use of the general reserve fund, statutory surplus fund and discretionary surplus fund are restricted to the offsetting of losses to increase the registered capital of the respective company. These reserves are not allowed to be transferred out as cash dividends, loans or advances, nor can they be distributed except under liquidation.

u) Earnings per share

The Company computes earnings per share ("EPS") in accordance with ASC 260, "Earnings per Share". ASC 260 requires companies with complex capital structures to present basic and diluted EPS. Basic EPS is measured as Net income divided by the weighted average common shares outstanding for the period. Diluted EPS is similar to basic EPS but presents the dilutive effect on a per share basis of potential common shares (e.g., convertible securities, options and warrants) as if they had been converted at the beginning of the periods presented, or issuance date, if later. Potential common shares that have an anti-dilutive effect (i.e., those that increase income per share or decrease loss per share) are excluded from the calculation of diluted EPS.

v) Foreign currency translation

The Group's principal country of operations is the PRC. The financial position and results of its operations are determined using RMB, the local currency, as the functional currency. The consolidated financial statements are reported using U.S. Dollars as presentational currency. The results of operations and the statement of cash flows denominated in foreign currency are translated at the average rate of exchange during the reporting period. Assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the applicable rates of exchange in effect at that date. The equity denominated in the functional currency is translated at the historical rate of exchange at the time of capital contribution. Because cash flows are translated based on the average translation rate, amounts related to assets and liabilities reported on the consolidated statements of cash flows will not necessarily agree with changes in the corresponding balances on the consolidated balance sheets. Translation adjustments arising from the use of different exchange rates from period to period are included as a separate component of accumulated other comprehensive income (loss) included in consolidated statements of changes in equity. Gains and losses from foreign currency transactions are included in the consolidated statement of income and comprehensive income.

The value of RMB against U.S. Dollar may fluctuate and is affected by, among other things, changes in the PRC's political and economic conditions. Any significant revaluation of RMB may materially affect the Group's consolidated financial condition in terms of reporting. The following table outlines the currency exchange rates that were used in the consolidated financial statements:

	September 30, 2020	March 31, 2020	September 30, 2019
Six months-end spot rate	US$1= 6.8101 RMB	US$1= 7.0851 RMB	US$1= 7.0729 RMB
Average rate	US$1= 6.9873 RMB	US$1= 6.9655 RMB	US$1= 6.9246 RMB

w) Comprehensive income / (loss)

Comprehensive income/(loss) is defined as the changes in shareholders' equity during a period arising from transactions and other events and circumstances excluding transactions resulting from investments by shareholders and distributions to shareholders. Comprehensive income or loss is reported in the consolidated statements of comprehensive income/(loss). Accumulated other comprehensive income/(loss), as presented on the accompanying consolidated balance sheets, consists of accumulated foreign currency translation adjustments.

x) Segment reporting

In accordance with ASC 280, Segment Reporting, operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker ("CODM"), or decision making group, in deciding how to allocate resources and in assessing performance. The Group has only one reportable segment since the Group does not distinguish revenues, costs and expenses by operating segments in its internal reporting, and reports costs and expenses by nature as a whole. The Group's CODM, who has been identified as the CEO, reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole. As the Group generates all of its revenue in the PRC, no geographical segments are presented.

y) Concentration of risks

Exchange Rate Risks

The Company's Chinese subsidiaries may be exposed to significant foreign currency risks from fluctuations and the degree of volatility of foreign exchange rates between the U.S. Dollar and the RMB. As of September 30, 2020 and March 31, 2020, the RMB denominated cash and cash equivalents amounted to $13,299,177 and $11,931,714 respectively.

Currency Convertibility Risks

Substantially all of the Group's operating activities are transacted in RMB, which is not freely convertible into foreign currencies. All foreign exchange transactions take place either through the People's Bank of China or other banks authorized to buy and sell foreign currencies at the exchange rates quoted by the People's Bank of China. Approval of foreign currency payments by the People's Bank of China or other regulatory institutions requires submitting a payment application form together with other information such as suppliers' invoices, shipping documents and signed contracts.

Concentration of Credit Risks

Financial instruments that potentially subject the Group to concentration of credit risks consist primarily of cash and cash equivalents and accounts receivable, the balances of which stated on the consolidated balance sheets represented the Group's maximum exposure. The Group places its cash and cash equivalents in good credit quality financial institutions in China. Concentration of credit risks with respect to accounts receivables is linked to the concentration of revenue. To manage credit risk, the Group performs ongoing credit evaluations of customers' financial condition.

z) Risks and uncertainties

The operations of the Group are located in the PRC. Accordingly, the Group's business, financial condition, and results of operations may be influenced by political, economic, and legal environments in the PRC, as well as by the general state of the PRC economy. The Group's results may be adversely affected by changes in the political, regulatory and social conditions in the PRC. Although the Group has not experienced losses from these situations and believes that it is in compliance with existing laws and regulations including its organization and structure disclosed in Note 1, this may not be indicative of future results.

aa) Recently announced accounting standards

The Group considers the applicability and impact of all accounting standards updates ("ASU"). Management periodically reviews new accounting standards that are issued.

In October 2018, the FASB issued ASU2018-17, Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities. ASU 2018-17 expands the accounting alternative that allows private companies the election not to apply the variable interest entity guidance to qualifying common control leasing arrangements. ASU 2018-17 broadens the scope of the private company alternative to include all common control arrangements that meet specific criteria (not just leasing arrangements). ASU 2018-17 also eliminates the requirement that entities consider indirect interests held through related parties under common control in their entirety when assessing whether a decision-making fee is a variable interest. Instead, the reporting entity will consider such indirect interests on a proportionate basis. The amendments are effective for public business entities for fiscal years beginning after December 15, 2019. Early adoption is permitted. The Group does not expect that the adoption of this guidance will have a material impact on the financial position, results of operations and cash flows.

In August 2018, the FASB issued 2018-15, Intangibles-Goodwill and Other-Internal Use Software (Subtopic 350-40), which reduces complexity for the accounting for the accounting for costs of implementing a cloud computing service arrangement. The amendment is effective for public companies with fiscal years beginning after December 15, 2019. Early adoption is permitted. The Group does not expect that the adoption of this guidance will have a material impact on the financial position, results of operations and cash flows.

In August 2018, the FASB issued ASU 2018-13, Fair Value Measurement - Disclosure Framework (Topic 820). The updated guidance improves the disclosure requirements on fair value measurements. The updated guidance if effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Early adoption is permitted for any removed or modified disclosures. The Group does not expect that the adoption of this guidance will have a material impact on the financial position, results of operations and cash flows.

In June 2016, the FASB issued ASU No. 2016-13, "Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" ("ASU 2016-13"). Financial Instruments-Credit Losses (Topic 326) amends guidelines on reporting credit losses for assets held at amortized cost basis and available-for-sale debt securities. For assets held at amortized cost basis, Topic 326 eliminates the probable initial recognition threshold in current GAAP and, instead, requires an entity to reflect its current estimate of all expected credit losses. The allowance for credit losses is a valuation account that is deducted from the amortized cost basis of the financial assets to present the net amount expected to be collected. For available-for-sale debt securities, credit losses should be measured in a manner similar to current GAAP, however Topic 326 will require that credit losses be presented as an allowance rather than as a write-down. ASU 2016-13 affects entities holding financial assets and net investment in leases that are not accounted for at fair value through Net income. The amendments affect loans, debt securities, trade receivables, net investments in leases, off balance sheet credit exposures, reinsurance receivables, and any other financial assets not excluded from the scope that have the contractual right to receive cash. The amendments in this ASU will be effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Group does not expect that the adoption of this guidance will have a material impact on the financial position, results of operations and cash flows.

The Group does not believe other recently issued but not yet effective accounting standards would have a material effect would have a material effect on the consolidated financial position, statements of operations and cash flows.

bb) Recently adopted accounting standards

In February 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2018-02, Income Statement - Reporting Comprehensive Income (Topic 220). The new guidance permits, but does not require, companies to reclassify the stranded tax effects of the Tax Cuts and Jobs Act (the "Act") on items within accumulated other comprehensive income to retained earnings. This ASU is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. The Group adopted this standard in the first quarter of 2019 and did not elect to reclassify the stranded tax effects of the Act on items within accumulated other comprehensive income to retained earnings. The Group uses the portfolio method for releasing the stranded tax effects from accumulated other comprehensive income.

In February 2016, FASB issued an accounting standard update (ASC Topic 842) that amends the accounting guidance on leases. The new standard establishes a right-of-use (ROU) model that requires a lessee to record an ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The FASB also subsequently issued amendments to the standard, including providing an additional and optional transition method to adopt the new standard, described below, as well as certain practical expedients related to land easements and lessor accounting. On adoption and as of September 30, 2020, we did not recognize ROU assets or lease liabilities as we did not enter into any lease agreements having lease terms greater than 12 months.

3. Cash and cash equivalents

Cash and cash equivalents consisted of the following:

	As of	
	September 30, 2020	March 31, 2020
Cash on hand	$ 19	$ 187
Bank balances	17,450,620	11,931,527
Total	$ 17,450,639	$ 11,931,714

4. Accounts receivable, net

Accounts receivable, net consisted of the following:

	As of	
	September 30, 2020	March 31, 2020
Accounts receivable, gross	$ 103,069	$ 78,785
Less: allowance for doubtful accounts	-	-
Accounts receivable, net	$ 103,069	$ 78,785

5. Prepayments and other current assets

Prepayments and other current assets consisted of the following:

	As of	
	September 30, 2020	March 31, 2020
Prepaid issuance fee	$ 177,808	$ 575,594.
Prepaid service fees	640,137	1,385,756
Deposit	150,000	-
Prepaid website maintenance fee	127,262	-
Other current assets	24,126	1,752
Total	$ 1,119,333	$ 1,963,102

Prepaid service fees consist of prepayment of telecommunications service fee and resource usage fee to colleges and universities in order to access the online course resources of these institutions. The prepayments are generally short-term in nature and are amortized over the related service period.

6. Other investments

Other investments were all classified in Level 3 of inputs and consisted of the following:

	As of	
	September 30, 2020	March 31, 2020
Oakwise Fund	$ 8,000,000	$ -
Total	$ 8,000,000	$ -

As of September 30, 2020 and March 31, 2020, other investments amounted to $8,000,000 and Nil respectively. The Company invested $8,000,000 in Oakwise Value Fund SPC("Oakwise Fund") on August 5, 2020. As the investment had only unobservable inputs with little or no market activity with no readily determinable market value, Level 3 of inputs was used to classify other investments, which were recorded at cost as discussed in Note 2f. If this investment is redeemed in less than one year, the Company may be subject to a fee of up to 3% of the fair value of the investment. The fee up to 3% may be waived at the discretion of Oakwise Fund. The Company plans to liquidate this investment within such one-year period.

Oakwise Value Fund SPC is a company located in Cayman Islands, KY1-1002 Grand Cayman at c/o Harneys Fiduciary (Cayman) Limited. Oakwise Value Fund SPC has an ACTIVE entity status and an ISSUED LEI code. The Legal Entity Identifier code of Oakwise Value Fund SPC is 254900TZB3JF7KJ4QB39.

7. Property and equipment, net

Property and equipment consisted of the following:

	As of	
	September 30, 2020	March 31, 2020
Server hardware	$ 21,462,292	$ 16,696,081
Vehicles	112,920	108,536
	21,575,212	16,804,617
Less: accumulated depreciation	(6,362,512)	(4,480,492)
Property and equipment, net	$ 15,212,700	$ 12,324,125

As of September 30, 2020 and March 31, 2020, the Group had no impaired or pledged property and equipment.

Depreciation expenses were $1,657,961 and $1,069,520 for the six months ended September 30, 2020 and 2019, respectively.

8. Intangible assets, net

Intangible assets consisted of the following:

	As of	
	September 30, 2020	March 31, 2020
Software	$ 5,661,297	$ 5,441,560
Courseware	27,047,966	25,998,130
Copyrights	6,541,754	4,064,869
	39,251,017	35,504,559
Less: accumulated amortization	(23,775,160)	(19,738,351)
Courseware development in progress	3,671,018	3,528,532
Intangible assets, net	$ 19,146,875	$ 19,294,740

Courseware development in progress represented the advance payment made to a third party as of September 30, 2020 and March 31, 2020.

As of September 30, 2020 and March 31, 2020, the Group had no impaired or pledged intangible assets.

Amortization expenses were $3,157,605 and $3,104,576 for the six months ended September 30, 2020 and 2019, respectively.

9. Accounts payable

Accounts payable consisted of the following:

	As of	
	September 30, 2020	March 31, 2020
Payable to a supplier of virtual simulation software	$ -	$ 115,425
Payable to a copyright supplier	88,104	110,090
Payable to accessories suppliers	11,160	23,571
Total	$ 99,264	$ 249,086

10. Other payables

Other payables consisted of the following:

	As of	
	September 30, 2020	March 31, 2020
Rental fees payable	$ 180,446	$ 136,278
Promotion fees payable	73,778	80,720
Welfare payable	438,142	3,095
IPO expenses payable	300,000	-
Other expenses payable	4,070	7,432
Total	$ 996,436	$ 227,525

11. Revenue

Disaggregation of revenue

For the six months ended September 30, 2020 and 2019, all of the Group's revenues were generated in the PRC. Additionally, all of the revenues for the periods were recognized from contracts with customers. Revenue consisted of the following categories:

	For the six months ended September 30,	
	2020	2019
Online VIP membership revenue	$ 13,026,851	$ 9,670,587
Online SVIP membership revenue	2,147,052	3,676,795
Technical service revenue	139,877	73,501
Total	**$ 15,313,780**	**$ 13,420,883**

The Group's revenue is principally derived from the rendering of vocational education services to the members through online education platform. The online education services currently comprise of two aspects: online vocational training and virtual simulation experimental training. Students that sign up for the online vocational training can log into the platform and access pre-recorded courses in the areas of their professional development. Virtual simulation technology training offers college students the opportunity to conduct experiments in a virtual environment as part of their curricula. For VIP members who have access to all platforms except virtual simulation experimental training, the Group charges a flat annual fee of RMB 100 per member. For VIP members who signed up between July 2018 and March 2019 enjoy the sales promotion of extending the membership period from one year to two years. For SVIP members who have access to all platforms including virtual simulation experimental training, the Group charges a flat fee of RMB 300 per member per quarter.

Contract balances

The following table provides information about the Group's contract liabilities arising from contract with customers. The increase in contract liabilities primarily resulted from the Group's business growth.

	As of	
	September 30, 2020	March 31, 2020
Deferred revenue-current	$ 12,250,372	$ 16,736,365
Deferred revenue-non-current	1,597,510	50,877
Total	**$ 13,847,882**	**$ 16,787,242**

	For the six months ended September 30,	
	2020	2019
Revenue recognized from deferred revenue balance	$ 11,941,674	$ 7,566,381

Deferred revenue refers to the remaining unamortized amount of membership fee of online members paid in advance. Deferred revenue primarily consists of membership fee received from customers for which the Group's revenue recognition criteria have not been met. The deferred revenue will be recognized as revenue once the criteria for revenue recognition have been met.

The Group's remaining performance obligations represents the amount of the transaction price for which service has not been performed. As of September 30, 2020, the aggregate amount of the transaction price allocated for the remaining performance obligations amounted to $13,847,882. The Group expects to recognize revenue of $12,250,372 and $1,597,510 related the remaining performance obligations over the next 12 months and the next 12 months to 24 months, respectively.

12. Cost of revenue

Cost of revenue consisted of the following:

	For the six months ended September 30,	
	2020	2019
Amortization expenses	$ 3,157,605	$ 3,104,576
Depreciation expenses of server hardware	1,657,961	1,058,748
Resource usage fees	1,297,077	944,984
Website maintenance fees	648,799	173,296
Raw material consumption fees	23,358	22,594
Other expenses	42,079	46,165
Total	$ 6,826,879	**$ 5,350,363**

13. Operating expenses

Operating expenses consisted of the followings:

	For the six months ended September 30,	
	2020	2019
Selling and marketing expenses:		
Promotion expenses	$ 478,881	$ 500,139
Telecommunications service fees	210,144	99,283
Union pay service charges	119,921	134,936
Employee compensation	67,151	33,858
Employee benefit expenses	3,715	8,687
	879,812	776,903
General and administrative expenses:		
Employee compensation	$ 1,113,316	$ 420,312
Rental fee	37,684	-
Employee benefit expenses	5,062	14,866
Depreciation expenses of vehicles	-	10,772
Service fee	272,905	-
Entertainment	4,553	-
Other expenses	66,254	27,852
	1,499,774	473,802
Operating expenses	$ 2,379,586	$ 1,250,705

14. Taxes Payable

The Company is registered in the Cayman Islands. The Group generated substantially all of its income from its PRC operations for the six months ended September 30, 2020 and 2019.

Cayman Islands

Under the current laws of the Cayman Islands, the Company is not subject to tax on income or capital gain, and no withholding tax is imposed to any dividends and payment made to shareholders.

Hong Kong

The Company’s subsidiary Easy Skills Technology Limited is located in Hong Kong and is subject to an income tax rate of 16.5% for assessable income earned in Hong Kong before April 2018, and an income tax rate of 8.25% for assessable income up to HKD 2,000,000 from April 2018 onwards. The Group had no assessable income subject to Hong Kong income tax for the six months ended September 30, 2020 and 2019.

PRC

Income Tax

The Company's subsidiaries and VIEs in the PRC are subject to the statutory rate of 25%, in accordance with the Enterprise Income Tax law (the “EIT Law”), which was effective since January 1, 2008.

Dividends, interest, rent or royalties payable by the Group's PRC subsidiaries, to non-PRC resident enterprises, and proceeds from any such non-resident enterprise investor's disposition of assets (after deducting the net value of such assets) shall be subject to 10% withholding tax, unless the respective non-PRC resident enterprise's jurisdiction of incorporation has a tax treaty or arrangements with China that provides for a reduced withholding tax rate or an exemption from withholding tax.

The current and deferred portions of income tax expense included in the consolidated statements of income were as follows:

	For the six months ended September 30,	
	2020	**2019**
Current	$ 1,744,005	$ 1,724,099
Deferred	-	-
Income tax expense	$ 1,744,005	$ 1,724,099

The following table sets forth reconciliation between the statutory EIT rate of 25% and the effective tax for the six months ended September 30, 2020 and 2019, respectively:

	For the six months ended September 30,	
	2020	**2019**
Income before income taxes	6,136,698	6,858,162
Tax rate	25%	25%
Provision for income taxes at statutory tax rate	$ 1,534,174	$ 1,714,541
Additional deductible of R&D expense	(44,936)	-
Effect of exemption from income tax of Cayman	252,066	-
Effect of non-tax deductible expenses	2,701	9,558
Income tax expense	$ 1,744,005	$ 1,724,099

There was not any temporary difference between the tax base and the reported amount of assets and liabilities in the financial statements as of September 30, 2020 and March 31, 2020, thus no deferred income tax is recognized.

Value Added Tax ("VAT")

The Group's membership revenues for providing non-academic education services are subject to a simple tax method to calculate VAT at 3%. The Group's technical service revenue is subject to a VAT rate of 6%.

Taxes payable consisted of the followings:

	As of	
	September 30, 2020	**March 31, 2020**
Income tax payable	$ 259,084	$ 477,466
VAT payable	52,034	58,897
Other tax payables	19,071	7,237
Total	$ 330,189	$ 543,600

15. Related parties

1) Nature of relationships with related parties

Name of related parties	**Relationship with the Company**
Gao Xiaofeng	Shareholder

2) Transactions and balances with related parties

Amounts due to a related party:

	As of	
	September 30, 2020	**March 31, 2020**
Gao Xiaofeng	509,012	-
Total	509,012	-

16. Commitments and Contingencies

The Group's lease consisted of operating leases for administrative office spaces in Wuxi in the PRC . As of September 30, 2020, the Group had no obligation under long-term operating leases and financing lease requiring minimum rentals . As of September 30, 2020, the Group did not have additional operating leases that have not yet commenced.

Total operating lease expenses for the six months ended September 30, 2020 were $37,684, and were recorded in general and administrative expense on the consolidated statements of operations. On September 30, 2020, the Group had no future minimum payments under non-cancelable operating leases for a period greater than one year.

As of September 30, 2020, future minimum payments under non-cancelable operating leases were as follows:

Future Lease Payments

Within one year	$	19,334
Total	$	19,334

17. Subsequent events

The Group has evaluated subsequent events through the issuance of the consolidated financial statements and noted that there are no other subsequent events.

18. Condensed financial information of the Company

The following is the condensed financial information of the Company on a parent company only basis.

Condensed balance sheets

	As of			
	September 30, 2020		**March 31, 2020**	
Assets/(liability)				
Cash and cash equivalents	$	4,151,462	$	-
Other investments		8,000,000		-
Prepayment and other assets		348,996		1,752
Investment in subsidiaries and VIE		32,817,901		27,880,296
Total assets/(liability)	$	45,318,359	$	27,882,048
Shareholders' equity				
Ordinary shares, 500,000,000 shares authorized; par value $0.0002 per share; 12,000,000 and 9,000,000 shares issued and outstanding as of 30 September, 2020 and 31 March, 2020, respectively		2,400		1,800
Additional paid-in capital		13,415,987		1,619,774
Statutory reserve		745,590		745,590
Retained earnings		31,313,865		26,921,172
Accumulated other component of equity:				
Foreign currency translation reserve		(159,483)		(1,406,288)
Total shareholders' equity	$	45,318,359	$	27,882,048

Condensed statements of income

	For the six months ended September,	
	2020	**2019**
Share of income in subsidiaries and VIE	5,400,957	5,134,063
Income before income tax provision	**(1,008,264)**	-
Provision for income tax	-	-
Net income	$ 4,392,693	$ 5,134,063

Condensed statements of comprehensive income

	For the six months ended September 30,	
	2020	**2019**
Net income	$ 4,392,693	$ 5,134,063
Other comprehensive income/(loss):		
Foreign currency translation adjustment	1,246,805	(1,020,318)
Comprehensive income	$ 5,639,498	$ 4,113,745

Basis of presentation

Condensed financial information is used for the presentation of the Company, or the parent company. The condensed financial information of the parent company has been prepared using the same accounting policies as set out in the Company's consolidated financial statements except that the parent company used the equity method to account for investment in its subsidiaries and VIE.

The parent company records its investment in its subsidiaries and VIE under the equity method of accounting as prescribed in ASC 323, Investments-Equity Method and Joint Ventures. Such investments are presented on the condensed balance sheets as “Investment in subsidiaries and VIE” and their respective income or loss as “Share of income in subsidiaries and VIE” on the condensed statements of income. Equity method accounting ceases when the carrying amount of the investment, including any additional financial support, in a subsidiaries and VIE is reduced to zero unless the parent company has guaranteed obligations of the subsidiary and VIE or is otherwise committed to provide further financial support. If the subsidiaries and VIE subsequently report net income, the parent company shall resume applying the equity method only after its share of that net income equals the share of net losses not recognized during the period the equity method was suspended.

The parent company's condensed financial statements should be read in conjunction with the Company's consolidated financial statements.

Exhibit 99.2

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion and analysis should be read in conjunction with our consolidated financial statements, the notes to those financial statements and other financial data that appear elsewhere in this annual report. In addition to historical information, the following discussion contains forward-looking statements based on current expectations that involve risks and uncertainties. Actual results and the timing of certain events may differ significantly from those projected in such forward-looking statements due to a number of factors, including those set forth in "Risk Factors" and elsewhere in this report. Our consolidated financial statements are prepared in conformity with U.S. GAAP.

5A. Operating Results

Business Overview

We are a provider of online education and technology services in China. While our education services cover a wide range of subjects, including vocational education, continuing education, basic education and higher education, we have been focusing on vocational education and continuing education since our inception in 2013. We also provide technology services including software development as well as comprehensive cloud service for private companies, academic institutions and government agencies. Revenue from our online education services accounts for 99.1% and 99.5% of our revenue for the six months ended September 30, 2020 and 2019 respectively, while revenue from technology services accounts for the balance.

China has a relatively large online education market and such market has experienced fast growth in the past two decades. With the growth of Internet use and improvements in online payment systems in China, we believe online education represents an attractive market opportunity. According to the 2019 iResearch Report, the size of China's online education market was valued at approximately RMB313.6 billion ($44.9 billion) in 2019 and is expected to grow to RMB 543.4 billion ($80.7 billion) by 2022. According to the 2019 China Online Vocational Education Market Report issued by Tencent Research Institution and Ipsos Group S.A., the online vocational education market in China grew from RMB36.8 billion ($5.5 billion) in 2015 to RMB76.8 billion ($11.4 billion) in 2018, representing an increase of 32%, and was expected to reach RMB113.6 billion ($16.9 billion) in 2020. The vocational education services market in China is fragmented, rapidly evolving and highly competitive. Market participants include existing large online and offline providers of vocational education services, as well as smaller regional vocational education services providers. We believe that we are well-positioned to effectively compete in markets in which we operate on the basis of our innovative education platform, broad scope of course offering, expertise in vocational training and experienced management team.

Our online education services currently comprise of two aspects: online vocational training and virtual simulation experimental training. Students that sign up for our online vocational training can log into our platform and access pre-recorded courses in the areas of their professional development. Virtual simulation technology training offers college students the opportunity to conduct experiments in a virtual environment as part of their curricula. We currently offer over 400 vocational training courses that cover a wide range of subjects, most of which are subjects of vocational education in areas of strong hiring demand. Our courses provide students with practical education to prepare them for jobs in high demand industries and also help workers in rural and urban areas and reemployment groups with operational skill development.

The bulk of our revenue is generated from fees paid by registered members of our education platforms. We also generate revenue from technology services we provide to private companies and government agencies. Since we launched our first online education platform in 2014, we have grown substantially. The number of registered members of our platforms has increased from 0.69 million as of December 31, 2014 to 68.5 million as of March 31, 2020, 75.5 million as of September 30, 2020. The number of fee-paying members, including registered members of our vocational training platform and our virtual simulation experimental programs, increased from 49,936 as of December 31, 2014 to 3.09 million as of March 31, 2020, and 3.28 million as of September 30, 2020. Our revenue reached $15.3 million and $13.4 million for the six months ended September 30, 2020 and 2019, respectively.

Coronavirus (COVID-19) Update

Many enterprises in China shut down offices and business facilities and asked their employees work at home during the height of China's COVID-19 epidemic period. Our employees worked from home during the entire month of February 2020 and returned to office the week of March 2, 2020. Unlike other enterprises in other industries, we believe that the COVID-19 epidemic may generate business opportunities for us, such as:

(1) Universities, colleges and schools in China postponed the start of spring semester till approximately May 2020. In the meantime, students have been required to study their curriculums online in order to comply with certain COVID-19 related requirements promulgated by the Ministry of Education.

(2) As a result of the aforementioned policies and the general "stay-at-home" environment generated by the epidemic, we believe that the remote learning and online education have become more widely accepted.

We promoted a "One Month For Free" activity during the peak of China's epidemic period that (a) all the courseware and contents were accessible to non-paying registered members for free during the entire month of February 2020, and (b) all existing fee-paying members as of February 1 received one month for free. The promotion was aimed at university/college students who may start as a non-paying registered member and then possibly become fee -paying members in the future. Primarily as a result of this promotional activity, the number of new non-paying registered members increased by more than 60% in February 2020 compared with that of the previous month (i.e. January). The "One Month For Free" promotional did temporarily decrease our revenue in February 2020. However, the number of new paying registered members increased 0.12 million in March 2020 primarily as a result of the promotional activity. February's promotional activity resulted in the slight decrease of revenue growth in the fourth quarter of fiscal year 2020 while the registered members increased sharply in the same period.

Given the decrease in the number of newly-confirmed COVID-19 cases in China recently, the business activities and the economy in China had resumed. The COVID-19 appears to only have a short-term impact on our online education operations. Although the "One Month For Free" promotional activity temporarily decreased revenue in February 2020, we met our targeted revenue performance for the fiscal year ended March 31, 2020 and for the six months ended September 30, 2020. At the same time, the growth of the number of our registered members and fee-paying members during the recent several months was stable. COVID-19 is not expected to have long-term impact on our performance for the fiscal year 2021. As of September 30, 2020, the number of registered members reached to approximately 75.5 million, representing an approximately 10 % increase compared with the number as of March 31, 2020. As such, we believe that the growth of the number of our registered members during the height of China's epidemic period may have had an initial beneficial impact on the business development of the Company. By July 31, 2020, our business and revenue had gradually returned to the fiscal year 2019 (pre-COVID) levels. The COVID-19 does not appear to have had a lasting impact on our business operation. However, it is difficult to predict the long-term impact that the epidemic may have on our business, depending on the duration and severity of COVID-19's impact on our customers, instructors and students.

Initial Public Offering

On July 27, 2020, the Company closed its initial public offering of 3,000,000 ordinary shares, US$0.0002 par value per share at an offering price of $5.00 per share, for a total of $15,000,000 in gross proceeds. The Company raised total net proceeds of $13,357,409 after deducting underwriting discounts and commission, offering expenses and other related costs.

Key Factors Affecting Our Results of Operation

Our results of operations and financial condition are affected by the general factors driving China's online education industry. We have benefited from China's overall economic growth, significant urbanization rate, and higher per capita disposable income of urban households in China, which has allowed many households in China to spend more on education. We have also benefited from the increasing internet penetration in China.

At the same time, our results are subject to changes in the regulatory regime governing China's education industry, particularly uncertainties relating to online education services. The PRC government regulates various aspects of our business and operations, including the qualification, licensing or filing requirements for entities that provide online education services and limitations on foreign investments in the online education industry. See ''Risk Factors—Risks Related to Doing Business in China—We may be adversely affected by the complexity, uncertainties and changes in PRC regulation of internet-related business." ; "Risk Factors—Risks Related to Doing Business in China— New legislation or changes in the PRC laws or policies regarding self-taught education may affect our business operations and prospects."; "Risk Factors — Risks Related to Doing Business in China— Regulation and censorship of information disseminated over the internet in China may adversely affect our business and reputation and subject us to liability for information displayed on our website."; "Risk Factors — Risks Related to Doing Business in China— We face risks and uncertainties with respect to the licensing requirement for Internet audio-video programs."; and "Risk Factors — Risks Related to Doing Business in China—PRC regulations relating to foreign exchange registration of overseas investment by PRC residents may subject our PRC resident beneficial owners or our PRC subsidiary to liability or penalties, limit our ability to inject capital into these subsidiaries, limit PRC subsidiary's ability to increase their registered capital or distribute profits to us, or may otherwise adversely affect us."

In particular, we have benefited and expect to continue to benefit from the following recent trends in the China educational services market:

- ***Increasing Internet and broadband penetration rates in China***

China has one of the largest number of Internet users in the world. According to the China Internet Network Information Center, the number of Internet users in China has reached 904 million by March 2020 and the overall Internet penetration rate reached 64.5%. We believe the existing large size and growth potential of China's Internet user base has contributed to the growth of online vocational education and continues to represent a significant market opportunity for the online education industry. We have benefited from the rapid improvement of internet and broadband connectivity in China, which have increased the accessibility of online education courses as an effective and convenient way for people to meet their educational and career development needs.

- ***Increasing demand for online vocational education services driven by favorable government policies***

The PRC government has issued a number of guiding policies to support the development of online education, including vocational education. In its Education Informationization Ten Year Development Plan (2011-2020), the ministry of education("the MOE ") emphasized the application of information technology into education and listed education informationization as one of the important strategies of nationwide education reform and development. In January 2019, the MOE published its "College Diploma + Vocational Skills Certification Policy" or "1+X Policy." The policy requires college students to obtain vocational skill certifications in addition to college diploma prior to graduation. According to the MOE, the primary purpose of implementing such a policy is to encourage the development of vocational skills and improve employment prospects of college students. We believe that the implementation of the 1+X policy will create additional market demand for online vocational education services and plan to develop online training courses in vocational training subjects covered by MOE's requirements.

- ***Increasing awareness of the importance of vocational skills***

We believe workers in rural and urban areas of China are increasingly willing to invest in vocational skills development to improve their career prospects and increase earning power. The demand from workers who wish to further achieve their career and salary advancement potential will offer us the opportunity to expand our user base and increase our revenue.

While our business is influenced by general factors affecting the online education industry in China, our results of operations are also directly affected by certain company-specific factors, including the following major factors:

☐ ***Our ability to continuously increase paid course enrollments***

Our net revenues primarily consist of fees paid by registered members of our education platforms. Our growth in net revenues is primarily driven by the increase in our paid course enrollments. The number of fee-paying members increased from 49,936 as of December 31, 2014 to 3.09 million as of March 31, 2020, and 3.28 million as of September 30, 2020. Our revenue reached $15.3 million and $13.4 million for the six months ended September 30, 2020 and 2019, respectively. We believe providing an effective learning experience is critical to attract new students and increase our paid course enrollments. We are committed to providing high quality course offerings to our students and will continue to enhance our students' learning experience through enriching our course offerings, enhancing our brand reputation and refining our technology. We are committed to improving our ability to convert sales needs into paid course enrollments cost-effectively.

☐ ***Our ability to manage our costs and operating expenses effectively***

Our operating margins depend on our ability to control our costs and realize additional operating leverage as we expand. A substantial majority of our cost of revenues consists of costs paid for online course development. Historically, we have been able to maintain such costs at a relatively low level.

We offer all of our courses online. Our future success depends on the development and application of relevant technologies to meet our demand for sufficient network capacity and to continue to enhance our proprietary technology, all in a cost-effective manner. While we continue to focus on our technology development, we plan to devote more resources to the development of our technology infrastructure, software upgrades to increase our operational efficiency.

☐ ***Fees for our courses***

Our revenue is also affected by the amount of fees we charge for our courses, which depends on the overall demand, the prices and availability of competing courses, and the perception of the quality and effectiveness of our courses. We are expanding our virtual experimental training programs, for which we charge a higher fee than the other programs. We anticipate that our revenue will likely increase as a result of this change to our course offerings.

☐ ***Our ability to expand the range of courses and other services***

Our ability to address market needs by expanding the range of our course offerings and other services has a direct impact on our ability to maintain growth in our course enrollments. Diversifying our sources of revenues also helps protect us from potential reduced course enrollment due to down-turns in certain industries or professions. To date, we have provided diversified online vocational and other courses to our members. In the future, we will continue to expand our course offerings in other areas to diversify and further grow our revenues.

☐ ***Our ability to efficiently manage costs and operating expenses in connection with our expansion of our services***

Our planned expansion of virtual experimental training program offerings may result in substantial demands on our management, operational, technological, financial and other resources and increase our operating expenses, primarily expenses to be incurred in order to access additional training programs. Our current virtual experimental training materials are provided by Jimei University pursuant to our existing cooperation agreement. In order to efficiently manage cost in connection with the expansion of our virtual experimental training program, we have been negotiating cooperation with academic institutions such as Jiangsu Education Management Information Center and Jiangsu Audio-visual Education Center in order to access additional virtual experimental training programs developed by these institutions at the cost within our controllable range. If we fail to enter into cooperation with these intuitions or otherwise obtain training materials at relatively low costs, our ability to manage cost and expenses will be adversely affected.

☐ ***Our ability to maintain and expand cooperation with strategic partners***

Since our inception, we have been relying upon strategic cooperation with education industry associations, vocational schools and universities to develop and expand our user base. Members and students of our strategic partners are oftentimes the target users of our platforms. If we fail to maintain or further strengthen our relationships with our strategic partners, we may not be able to maintain or further expand our customer base and our results of operations will be adversely affected.

☐ ***The impact of the Novel Coronavirus to our business***

Because of the outbreak of the Novel Coronavirus (COVID-19), schools at all levels in China have postponed their starting date for 2020. In January 2020, the Ministry of Education published an administrative order of "Closing school without stopping classes", which encourages the online teaching and promotes the online education market. Our management took the following two measures to respond to the epidemic: (1) all registered members can learn courseware without paying the fee during the period between February 1, 2020 to February 29, 2020 and the membership period of existing paying-members will be automatically extended for another month; (2) we have cooperated with China Adult Education Association and Higher Education Press Ltd. to promote the Company's online education platforms. In addition to the free courseware, the Company's paid courseware were offered for free in February 2020 for universities which have provided the online teaching courses. With these measures, the number of new registered members in February 2020 reached approximately 2.2 million, an increase of over 60% to January 2020. As of September 30, 2020, the number of registered members reached to approximately 75.5 million, representing an approximately 10% increase compared with the number as of March 31, 2020. As such, we believe that the growth of the number of our registered members during the height of China's epidemic period may have had an initial beneficial impact on the business development of the Company. By July 31, 2020, our business and revenue had gradually returned to the fiscal year 2019 (pre-COVID) levels. The COVID-19 does not appear to have had a lasting impact on our business operation. However, it is difficult to predict the long-term impact that the epidemic may have on our business, depending on the duration and severity of COVID-19's impact on our customers, instructors and students.

Key Performance Indicators

Our management uses a number of financial and nonfinancial key performance indicators (KPIs) to measure its performance and manage our growth. The number of fee-paying members, revenue and Net income are three key indicators used by our management. These KPIs are the results of the efforts of all divisions rather than a single division, thus they are used to measure the performance of overall management. These KPIs are measured by comparing to pre-set percentage, which are discussed among board and managements on a quarterly basis or ad hoc as required in an effective manner.

The KPIs we consider and the results for each of six months ended September 30, 2020 and 2019 are set forth in the table below .

	For the six months ended September 30, 2020	For the six months ended September 30, 2019	Actual growth rate
Number of Fee-Paying Members (1)	3,279,385	2,566,202	28%
Revenue	$ 15,313,780	$ 13,420,883	14%
Net income	$ 4,392,693	$ 5,134,063	-14%

(1) Number of fee-paying members is defined as the total number of members that are paying fees for accessing our platforms as of the end of the applicable period.

After considering market trend and shareholders' expectation, we set target growth percentages for KPIs including fee-paying members, revenue and Net income, which had further increased after we entered into the co-operations with Higher Education Press Ltd. and China Adult Education Association in June 2018. We experienced a growth in fee-paying members (28%), revenue (14%) and a decrease in Net income (-14%) in the six months ended September 30, 2020 compared with the six months ended September 30, 2019. The main reason was that the company took advantage of the favorable impact of the new crown epidemic on online education to carry out promotional activities (buy one, get one free) from April to June 2020, which increased the number of effective members. The revenue increased by 14%. The reason was that part of the income from April to June 2020 needed to be amortized according to two years, resulting in a decrease in the amount of revenue recognized in the current period. The actual decline of net income was -14%. The decline was largely due to investor relations IR service fee and insurance expense increased by about $76,000 due to the successful IPO listing; the salary and fee expenses of independent directors, senior executives and employees increased by about $0.73 million; and increased website maintenance fee of about $0.48 million in the six months ended September 30, 2020 compared with the six months ended September 30, 2019.

The KPIs we consider and the results for each of fiscal years ended March 31, 2020 and 2019 are set forth in the table below.

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2019	Actual growth rate
Number of Fee-Paying Members (1)	3,090,149	2,282,297	35%
Revenue	$ 28,601,071	$ 24,668,840	16%
Net income	$ 9,975,225	$ 8,675,058	15%

(1) Number of fee-paying members is defined as the total number of members that are paying fees for accessing our platforms as of the end of the applicable period.

After considering market trend and shareholders' expectation, we set target growth percentages for KPIs including fee-paying members, revenue and Net income, which had further increased after we entered into the co-operations with Higher Education Press Ltd. and China Adult Education Association in June 2018. We experienced significant growth in fee-paying members (35%), revenue (16%) and Net income (15%) in the fiscal year ended March 31, 2020 compared with fiscal year ended March 31, 2019, all of which exceeded the pre-set expectations.

Starting in June 2018, we expanded our fee paying member base from workers in rural and urban areas to college students. Through our "pay one year get two years" promotion program, we expected we would reach a high peak of our short term fee-paying numbers increase during our fiscal year ended March 31, 2019.

Results of Operations

Six months Ended September 30, 2020 as Compared to Six months Ended September 30, 2019

	For the six months Ended September 30, 2020	For the six months Ended September 30, 2019	Change Amount	Change %
Revenue	$ 15,313,780	$ 13,420,883	$ 1,892,897	14%
Cost of revenue	(6,826,879)	(5,350,363)	(1,476,516)	28%
Gross profit	**8,486,901**	**8,070,520**	**416,381**	5%
Operating expenses				
Sales and marketing expenses	(879,812)	(776,903)	(102,909)	13%
General and administrative expenses	(1,499,774)	(473,802)	(1,025,972)	217%
Total operating expense	**(2,379,586)**	**(1,250,705)**	**(1,128,881)**	90%
Other income (expenses)				
Interest income	30,292	41,692	11,400	-27%
Other expense	(909)	(3,345)	2,436	-73%
Income before tax	**6,136,698**	**6,858,162**	**(721,464)**	-11%
Income tax expense	(1,744,005)	(1,724,099)	(19,906)	1%
Net income	**$ 4,392,693**	**5,134,063**	**(741,370)**	-14%

Revenue

Revenue increased from $13.4 million for the six months ended September 30, 2019 to $15.3 million for the six months ended September 30, 2020, representing an increase of $1.9 million, or 14%. We executed a Cloud Computing Service Agreement with Higher Education Press Ltd. in June 2018, pursuant to which we provided technology services to facilitate data sharing and interconnection among colleges and universities personalized education services for teachers and students in colleges and vocational colleges. We also entered into the Promotion Agreement with the China Adult Education Association in June 2018, to offer online learning resources in urban and rural communities, and carried out research and development cooperation with universities to achieve resource sharing, and added online training videos, etc. As a result of the execution and performance of these cooperation agreements, our access to target member group increased.

Cost of revenues

Cost of revenue increased from $5.35 million in the six months ended September 30, 2019 to $6.83 million in the six months ended September 30, 2020, representing an increase of $1.48 million, or 28%. The increase of cost of revenue was mainly caused by the increase of resource usage fee by $0.35 million and website maintenance fee by 0.48 million. In addition, the depreciation expenses of server hardware also increased by $0.6 million. The main reason why cost of revenue increased faster than revenue was that the website maintenance fee increased from RMB 200,000 per month during the six months ended September 30, 2019 to RMB 866,667 per month from May 1, 2020 to September 30, 2020.

Operating Expenses

Operating expenses increased from $1.25 million for the six months ended September 30, 2019 to $2.38 million for the six months ended September 30, 2020, representing an increase of $1.13 million, or 90%. Operating expenses primarily consisted of sales and marketing expenses and general and administrative expenses.

Sales and marketing expenses increased by $0.10 million, or 13%, and general and administrative expenses increased by $0.82 million, or 174%. The increase of sales and marketing expenses was mainly due to Telecommunications service fees, which increased by $0.21 million as the Company expanded their network and service systems.

General and administrative expenses increased by 217% to $1.50 million for the six months ended September 30, 2020, from $0.47 million for the six months ended September 30, 2019. This increase was primarily caused by higher employee compensation and welfare expenses and particularly an increase of $0.54 million in salary and fee expenses of independent directors, senior executives and employees related to the IPO. The service fee also increased by $0.27 million due to the success of IPO. The Company also recorded research and development expenses in general and administrative expenses of $0.24 million for the six months ended September 30, 2020, compared with $0.10 million for the six months ended September 30, 2019. Research and development expenses, which consist of compensation and benefit expenses to our technology development personnel, are expensed as incurred.

Income before tax

Income before tax decreased from $6.86 million for the six months ended September 30, 2019 to $6.17 million for the six months ended September 30, 2020, representing a decrease of $0.72 million, or -11%.

Net income

As a result of the foregoing, net income for the six months ended September 30, 2020 was $4.39 million representing a change of $-0.74 million from net income of $5.13 million for the six months ended September 30, 2019.

Year Ended March 31, 2020 as Compared to Year Ended March 31, 2019

	For the Years Ended March 31,		Change	
	2020	**2019**	**Amount**	**%**
Revenue	$ 28,601,071	$ 24,668,840	$ 3,932,231	16%
Cost of revenue	(11,797,870)	(9,458,559)	(2,339,311)	25%
Gross profit	**16,803,201**	**15,210,281**	**1,592,920**	**10%**
Operating expenses				
Sales and marketing expenses	(1,520,801)	(1,832,006)	311,205	-17%
General and administrative expenses	(2,038,568)	(1,899,110)	(139,458)	7%
Total operating expense	**(3,559,369)**	**(3,731,116)**	**171,747**	**-5%**
Other income (expenses)				
Interest income	73,737	88,588	(14,851)	-17%
Others, net	(3,458)	(195)	(3,263)	>100 %
Income before tax	**13,314,111**	**11,567,558**	**1,746,553**	15%
Income tax expense	**(3,338,886)**	**(2,892,500)**	**(446,386)**	**15%**
Net income	**$ 9,975,225**	**8,675,058**	1,300,167	15%

Revenue

Revenue increased from $24.7 million for the fiscal year ended March 31, 2019 to $28.6 million for the fiscal year ended March 31, 2020, representing an increase of $3.93 million, or 16%. We executed a Cloud Computing Service Agreement with Higher Education Press Ltd. in June 2018, pursuant to which we provided technology services to facilitate data sharing and interconnection among colleges and universities personalized education services for teachers and students in colleges and vocational colleges. We also entered into the Promotion Agreement with the China Adult Education Association in June 2018, to offer online learning resources in urban and rural communities, and carried out research and development cooperation with universities to achieve resource sharing, and added online training videos, etc. As a result of the execution and performance of these cooperation agreements, our access to target member group increased. We paid more attention on the development of the on-line business for the fiscal year ended March 31, 2020, as a result, approximately 99.3% of our total revenues were generated from online education services in fiscal year ended March 31, 2020, as compared to 98.6% in fiscal year ended March 31, 2019.Among the revenues generated from online education services, approximately 78.6% were generated from online VIP membership revenue and 21.4% from online SVIP membership revenue in fiscal year ended March 31, 2020, as compared to 79.2% and 20.8%, respectively, in fiscal year ended March 31, 2019. We believe that the increase of the revenues generated from our online education services is primarily attributable to our continuous promotional activities and efforts on the virtual simulation experiment platform development during the fiscal year ended March 31, 2020, which attracted more fee-paying members to register. The number of fee-paying members increased from approximately 2.3 million as of March 31, 2019 to approximately 3.1 million as of March 31, 2020.

Cost of revenues

Cost of revenue increased from $9.5 million in the year ended March 31, 2019 to $11.8 million in the year ended March 31, 2020, representing an increase of $2.3 million, or 25%. The increase of cost of revenue was mainly caused by the increase of depreciation expenses of server hardware by $1.8 million, and the increase of virtual simulation fee by $0.8 million. The Company finalized the construction of website in July, 2019, which resulted in the increase of depreciation expenses of it in the year ended March 31, 2020. In addition, the Virtual simulation fee was newly incurred in July 2019, which was paid to Jiangsu Audiovisual Center for the use of virtual simulation software, aiming to provide better services to SVIP members.

Operating Expenses

Operating expenses decreased from $3.7 million for the fiscal year ended March 31, 2019 to $3.6 million for the fiscal year ended March 31, 2020, representing a decrease of $0.17 million, or 5%. Operating expenses primarily consisted of sales and marketing expenses and general and administrative expenses.

Sales and marketing expenses decreased by $0.3 million, or 17%, and general and administrative expenses increased by $0.14 million, or 7%. The decrease of sales and marketing expenses was mainly due to Union pay service charges, and promotion expenses, which decreased by $0.2 million and $0.4 million, respectively, inconsistent with the increase of members of the Company's platforms.

The increase of general and administrative expenses was primarily caused by the rental fee, and the consulting fee for the human resources which increased by $0.1 million.

Income before tax

Income before tax increased from $11.6 million for the year ended March 31, 2019 to $13.3 million for the year ended March 31, 2020, representing an increase of $1.7 million, or 15%.

Net income

As a result of the foregoing, net income for the year ended March 31, 2020 was $9.98 million representing a change of $1.3 million from net income of $8.7 million for the year ended March 31, 2019.

5B. Liquidity and Capital Resources

As of September 30, 2020 and March 31, 2020, we had cash and cash equivalents of $17.5 million and $11.9 million, respectively. To date, we have financed our operations primarily through net cash flow from operations and shareholder contributions. We expect to finance our operations and working capital needs in the near future from part of our net proceeds of our initial public offering and cash generated through operations.

We currently conduct our operations through Wuxi Wangdao, our variable interest entity. All our cash balances are located in the PRC. Our access to cash balances or future earnings of Wuxi Wangdao is only through our contractual arrangements with Wuxi Wangdao, our PRC subsidiary and Wuxi Wangdao's shareholders.

In addition to limitations of the contractual arrangements, our liquidity and capital resources are also affected by a number of restrictions set forth under current PRC laws and regulations. Under our current corporate structure, we rely on dividend payments from our PRC subsidiary to fund any cash and financing requirements we may have. Current PRC regulations permit our PRC subsidiary to pay dividends to us only out of their accumulated profits, if any, determined in accordance with PRC accounting standards and regulations. In addition, our PRC subsidiary is required to set aside at least 10% of their respective accumulated profits each year, if any, to fund certain reserve funds until the total amount set aside reaches 50% of their respective registered capital. These restrictions may limit our ability to satisfy our liquidity requirements.

Additionally, our operating entity receives substantially all of our revenues in RMB and the PRC government imposes controls on the convertibility of the RMB into foreign currencies and, in certain cases, the remittance of currency out of China. Under existing PRC foreign exchange regulations, payments of current account items, such as profit distributions and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from SAFE by complying with certain procedural requirements. Dividends payments to us by our PRC subsidiary in foreign currencies are subject to the condition that the remittance of such dividends outside of the PRC complies with certain procedures under PRC foreign exchange regulations, such as the overseas investment registrations by our shareholders or the ultimate shareholders of our corporate shareholders who are PRC residents. Approvals by or registration with appropriate government authorities is required where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. The PRC government may also at its discretion restrict access in the future to foreign currencies for current account transactions. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, our PRC subsidiary may not be able to pay dividends in foreign currencies to us and our access to cash generated from its operations will be restricted.

In assessing our liquidity, we monitor and analyze our cash on hand, our ability to generate sufficient revenue sources in the future and our operating and capital expenditure commitments. For the six months ended September 30, 2020 and 2019, our operating activities generated positive cash flows. We have historically funded our working capital needs from operations and advances from shareholders. There had been no material impact of COVID-19 to our liquidity as of September 30, 2020. We do not expect any material effect of COVID-19 to our liquidity in the future. However, this assessment may change, depending on the duration and severity of the coronavirus' impact on the Company's customers, instructors and students.

We believe that our current levels of cash and cash flow from operations will be sufficient to meet our anticipated cash needs for our operations and expansion plans for at least the next 12 months. We may, however, in the future require additional cash resources due to changing business conditions, implementation of our strategies to expand our business, or other investments or acquisitions we may decide to pursue. If our own financial resources are insufficient to satisfy our capital requirements, we may seek additional equity or debt financing or obtain credit facilities. The sale of additional equity securities could result in dilution to our shareholders. The incurrence of indebtedness would result in increased debt service obligations and could require us to agree to operating and financial covenants that would restrict our operations. Financing may not be available in amounts or on terms acceptable to us, if at all. Any failure by us to raise additional funds on terms favorable to us, or at all, could limit our ability to expand our business operations and could harm our overall business prospects.

Statement of Cash Flows

Six months Ended September 30, 2020 as Compared to Six months Ended September 30, 2019

	For the six months ended September,	
	2020	2019
Net cash generated from operating activities	$ 6,584,842	$ 6,782,179
Net cash used in investing activities	(14,242,349)	(5,725,990))
Net cash generated from financing activities	13,243,554	-
Effects of exchange rate changes on cash	(67,122)	539,066
Net cash inflow	$ 5,518,925	$ 1,595,255

Net Cash Provided by Operating Activities

	For the six months ended September 30,	
	2020	2019
Net cash generated from operating activities	**$ 6,584,842**	**$ 6,782,179**
Cash received of membership fees with service period within one-year	6,581,264	12,053,634
Cash received of membership fees with two-year service period	5,064,816	-
Cash received from other operating activities	30,292	41,692
Cash paid for goods and services	(1,973,118)	(1,047,340))
Cash paid for employees	(511,446)	(234,160))
Cash paid for income tax	(1,974,038)	(2,327,558))
Cash paid for other operating activities	(632,928)	(1,704,089))

For the six months ended September 30, 2020, we had a cash inflow from operating activities of $6.58 million, a decrease of $0.20 million from a cash inflow of $6.78 million for the six months ended September 30, 2019.

The decrease was primarily due to the following reasons:

(1) When starting its online training business to university students in 2018, the Company launched a promotion program “pay one year get two years” in the period from July 2018 to March 2019, which significantly increased membership fees received during the promotion period. With the expiration of the promotional program, the number of newly registered fee-paying members returned to a level prior to the launching of such program. However, the membership fees received during the promotion period were amortized over two years as revenue in accordance with US GAAP.

(2) Since November 2018, the company started to pay resource usage fee to colleges and universities in order to access the online course resources of these institutions with a period of validity of 5 years. $0.65 million virtual simulation fee was paid for the six months ended September 30, 2020.

(3) Due to the successful IPO during the six months ended September 30, 2020, the Company paid related salaries and bonus to management. As a result, cash paid for employees during the six months ended September 30, 2020 increased by $0.27 million compared to the same period in the six months ended September 30, 2019.

Net Cash Used in Investing Activities

	For the six months ended September 30,	
	2020	2019
Net cash used in investing activities	**$ (14,242,349)**	**$ (5,725,990)**
Cash paid for purchases of property and equipment	(3,988,249)	(1,682,416)
Cash paid for purchases of intangible assets	(2,254,100)	(4,043,574)
Investment in other investments	(8,000,000)	-

For the six months ended September 30, 2020, we had a cash outflow from investing activities of $14.24 million, an increase of $8.52 million from a cash outflow of $5.73 million in the six months ended September 30, 2019. The increase was the combined impact of an increased cash paid ($2.31 million) for property and equipment purchases, an increased cash paid ($8 million) for other investments and a decreased cash paid ($1.79 million) for intangible assets (software) purchases.

As of September 30, 2020 and March 31, 2020, other investments amounted to $8,000,000 and Nil respectively. The Company invested $8,000,000 in Oakwise Value Fund SPC(“Oakwise Fund”) on August 5, 2020. As this investment had only unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities, Level 3 of inputs was used to measure the fair value of other investments. If this investment is redeemed in less than one year, the Company may be subject to a fee of up to 3% of the fair value of the investment. The Company plans to liquidate this investment within such one-year period.

Net Cash provided by Financing Activities

	For the six months ended September 30,	
	2020	2019
Net cash provided by Financing Activities	$ 13,243,554	$ -
Proceeds from IPO net off IPO expenses	13,243,554	-

For the six months ended September 30, 2020, we had a cash inflow from financing activities of $13.24 million, which was the proceeds from the IPO net off IPO expenses. There were no financing activities cash inflow or outflow in the six months ended September 30, 2019.

Critical Accounting Policies

Please refer to Note 2 of the Consolidated Financial Statements included in this Form 20-F for details of our critical accounting policies.

Recent Accounting Pronouncements

Please refer to Note 2(aa) of the Consolidated Financial Statements included in Form 20-F for details of our recently issued accounting standards.

5C. Research and Development, Patents and Licenses, etc.

See the discussion under the headings “Research and Development”, “Intellectual Property” and “Patents” in Item 4 above.

5D. Trend Information

We have noted the existence of the following trends, all of which are likely to affect our business to the extent they continue in the future**:**

Individualization of Online Vocational Education Industry

With the increased use of technologies such as artificial intelligence and big data analysis, online vocational education services tend to become more individualized. In particular, online education service providers have or will be able to develop the capacity of analyzing the study habits, comprehension ability and degree of interest in specific subjects of each individual student and accordingly develop and update various aspects of education services that are tailored for each student.

Increased Application of Technologies in Service Management

According to the Vocational Education Report, in addition to the application of technologies in individualizing educational services, service providers will likely apply technologies to improve management of their operations. For example, cloud computing technologies make it feasible for instant data sharing and application connecting. By utilizing cloud computing technologies, online education institutions can integrate the different aspects.

With a higher demand of diverse curriculums and better user experiences, we have prepared to strengthen the research and development activities in virtual simulation, which can be applied to high-end manufacturing (CNC machining center operation application, industrial Internet of Things multi-directional application), automotive maintenance engineering, and new life entertainment (including cooking, beauty, horticulture, and pet industries). In addition, we are planning to purchase new courseware from some higher institutions to meet the needs of the customers.

5.E. Off-Balance Sheet Arrangements

There were no off-balance sheet arrangements as of September 30, 2020, that have or that in the opinion of management are likely to have, a current or future material effect on our financial condition or results of operations. We have not entered into any financial guarantees or other commitments to guarantee the payment obligations of any third parties. In addition, we have not entered into any derivative contracts that are indexed to our shares and classified as shareholder’s equity or that are not reflected in our consolidated financial statements. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging or research and development services with us.

5.F. Tabular Disclosure of Contractual Obligations

The Company leases premises under operating leases, which is within one year. As of September 30, 2020 and March 31, 2020, the Company had no obligation under long-term operating leases requiring minimum rentals and off balance sheet arrangement.

There have been no material changes to our contractual obligations since September 30, 2020.

Exhibit 99.3

Skillful Craftsman Announces Financial Results for The First Six Months of Fiscal Year 2021

14% year-over-year revenue growth
28% year-over-year total fee-paying members growth

WUXI, China, January 14, 2021 (GLOBE NEWSWIRE) -- Skillful Craftsman Education Technology Ltd. (“the Company”) (NASDAQ: EDTK), an education technology company providing interactive online learning services, today announced its financial results for the first six months of fiscal year 2021 ended September 30, 2020.

First Six Months of Fiscal Year 2021 Financial and Operational Highlights

All financial figures are in US Dollars unless otherwise noted.

- Revenue was $15.3 million, compared with $13.4 million for the same period of last year, representing a 14% increase.
- Gross profit was $8.5 million, compared with $8.1 million for the same period of last year, representing a 5% increase.
- Gross profit margin was 55%, compared with 60% for the same period of last year.
- Net income was $4.39 million, compared with $5.13 million for the same period of last year. The decrease was due in part to one-time expense related to the Company’s initial public offering (“IPO”).
- Basic and diluted earnings per share were $0.44, compared with $0.57 for the same period of last year.
- Total fee-paying members[1] reached 3.28 million, compared with 2.57 million during the same period of last year, representing a 28% increase.

[1] Number of fee-paying members is defined as the total number of members that are paying fees for accessing our platforms as of the end of the applicable period.

Mr. Xiaofeng Gao, Chairman and CEO of Skillful Craftsman Education Technology Ltd., commented, “We are excited to announce our strong results for the first six months of fiscal year 2021 ended September 30, 2020. Our revenue increased by 14% to $15.3 million, from $13.4 million for the same period of last year and our total fee-paying members increased by 28% to 3.28 million, compared with 2.57 million during the same period of last year. We believe the results demonstrate the resilience of our business, the experience of our senior management team, and our commitment to quality service. As an education technology company, we strive to optimize our service and diversify our offerings to meet the evolving needs of the market. We believe that the current business climate, which encourages remote learning, will enhance our business growth more than ever. We have been pursuing our business strategies to expand course offerings in tune with industry trends and national policies, integrate online and offline resources for virtual simulation experimental training, offer professional development-related services and develop mobile app and WeChat interfaces for our online learning platform. We believe we are well-positioned in the turbulent market environment to optimize our revenue structure and strategically explore opportunities to create more value for all of our shareholders.”

First Six Months of Fiscal Year 2021 Financial Results

All figures refer to the first six months of fiscal year 2021 ended September 30, 2020 unless otherwise stated

Revenue

Revenue increased by 14% to $15.3 million, from $13.4 million for the same period of last year.

Cost of Revenue

Cost of revenue increased by 28% to $6.83 million, from $5.35 million for the same period of last year. The increase was mainly caused by the increase of resource usage fee by $0.35 million and website maintenance fee by $0.48 million. In addition, the depreciation expenses of server hardware also increased by $0.6 million.

Gross Profit and Gross Margin

Gross profit increased by 5% to $8.5 million, from $8.1 million for the same period of last year.

Gross margin decreased by 5 percentage points to 55%, from 60% for the same period of last year.

Operating Expenses

Operating expenses increased by 90% to $2.38 million, from $1.25 million for the same period of last year.

Sales and marketing expenses increased by 13% to $0.88 million, from $0.78 million for the same period of last year. This increase was mainly due to Telecommunications service fees, which increased by $0.21 million as the Company expanded their network and service systems.

General and administrative expenses increased by 217% to $1.50 million, from $0.47 million for the same period of last year. This increase was primarily caused by higher employee compensation and welfare expenses and particularly an increase of $0.54 million in salary and fee expenses of independent directors, senior executives and employees related to the IPO. The service fee also increased by $0.27 million due to the success of IPO. The Company also recorded research and development expenses in general and administrative expenses of $0.24 million, compared with $0.10 million for the same period of last year.

Income Before Tax

Income before tax expense decreased by 11% to $6.14 million, from $6.86 million for the same period of last year.

Net Income

Net income decreased by 14% to $4.39 million, from $5.13 million for the same period of last year.

Basic and diluted earnings per share were $0.44, compared with $0.57 for the same period of last year.

Cash and Cash Equivalents

As of September 30, 2020, the Company had cash and cash equivalents of $17.5 million, compared with $11.9 million as of March 31, 2020.

Cash Flow

Net cash generated from operating activities was $6.58 million, compared with $6.78 million for the same period of last year.

Net cash used in investing activities was $14.24 million, compared with $5.73 million for the same period of last year.

Net cash generated from financing activities was $13.24 million, compared with nil for the same period of last year.

About Skillful Craftsman

Skillful Craftsman is an education technology company that provides interactive online vocational training and virtual simulation experimental training courses. The Company began operations in Wuxi, China in 2013 and is a key supporter for China education reform and development for labor employment. As of March 31, 2020, the Company had 68.5 million total registered members, of which 3.1 million are fee-paying members. For more information, please visit: ir.kingwayup.com

Safe Harbor Statement

This report contains "forward-looking statements" for purposes of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 that represent our beliefs, projections and predictions about future events. All statements other than statements of historical fact are "forward-looking statements," including any projections of earnings, revenue or other financial items, any statements of the plans, strategies and objectives of management for future operations, any statements concerning proposed new projects or other developments, any statements regarding future economic conditions or performance, any statements of management's beliefs, goals, strategies, intentions and objectives, and any statements of assumptions underlying any of the foregoing. Words such as "may", "will", "should", "could", "would", "predicts", "potential", "continue", "expects", "anticipates", "future", "intends", "plans", "believes", "estimates" and similar expressions, as well as statements in the future tense, identify forward-looking statements.

Forward-looking statements are based on information available at the time those statements are made and management's belief as of that time with respect to future events. These statements are necessarily subjective and involve known and unknown risks, uncertainties and other important factors that could cause our actual results, performance or achievements, or industry results, to differ materially from any future results, performance or achievements described in or implied by such statements. Such risks, uncertainties, and other factors include, but are not limited to, our ability to improve launch and leverage new technologies and cooperative relationships or anticipate market demand in a timely or cost-effective manner, and those factors discussed under the headings "Risk Factors", "Operating and Financial Review and Prospects," and elsewhere in our Annual Report on Form 20-F. Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of whether, or the times by which, our performance or results may be achieved. Actual results may differ materially from expected results described in our forward-looking statements, including with respect to correct measurement and identification of factors affecting our business or the extent of their likely impact, and the accuracy and completeness of the publicly available information with respect to the factors upon which our business strategy is based or the success of our business. The Company disclaims any intention to, and undertakes no obligation to, update or revise any forward-looking statement.

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SKILLFUL CRAFTSMAN EDUCATION TECHNOLOGY LIMITED
CONSOLIDATED BALANCE SHEETS

	As of	
	September 30, 2020 (Unaudited)	March 31, 2020 (Audited)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 17,450,639	$ 11,931,714
Accounts receivable, net	103,069	78,785
Prepayments and other current assets	1,119,333	1,963,102
Other investments	8,000,000	-
Total current assets	**26,673,041**	**13,973,601**
Non-current assets		
Property and equipment, net	15,212,700	12,324,125
Intangible assets, net	19,146,875	19,294,740
Long-term prepayments and other non-current assets	68,526	97,035
Total non-current assets	**34,428,101**	**31,715,900**
TOTAL ASSETS	**$ 61,101,142**	**$ 45,689,501**
Current liabilities		
Accounts payable	$ 99,264	$ 249,086
Taxes payable	330,189	543,600
Amounts due to a related party	509,012	-
Other payables	996,436	227,525
Deferred revenue-current	12,250,372	16,736,365
Total current liabilities	**14,185,273**	**17,756,576**
Non-current liabilities		
Deferred revenue-non-current	1,597,510	50,877
Total non-current liabilities	**1,597,510**	**50,877**
TOTAL LIABILITIES	**$ 15,782,783**	**$ 17,807,453**
COMMITMENTS AND CONTIGENCIES		-
SHAREHOLDERS' EQUITY:		
Ordinary shares, 500,000,000 shares authorized; par value $0.0002 per share; 12,000,000 and 9,000,000 shares issued and outstanding as of 30 September, 2020 and 31 March, 2020, respectively	2,400	1,800
Additional paid-in capital	13,415,987	1,619,774
Statutory reserve	745,590	745,590
Retained earnings	31,313,865	26,921,172
Accumulated other component of equity:		
Foreign currency translation reserve	(159,483)	(1,406,288)
TOTAL SHAREHOLDERS' EQUITY	**45,318,359**	**27,882,048**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 61,101,142**	**$ 45,689,501**

SKILLFUL CRAFTSMAN EDUCATION TECHNOLOGY LIMITED
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

	For the six months ended September,	
	2020	2019
	(Unaudited)	(Unaudited)
Revenue	$ 15,313,780	$ 13,420,883
Cost of revenue	(6,826,879)	(5,350,363)
Gross profit	8,486,901	8,070,520
Operating expenses:		
Selling and marketing expenses	(879,812)	(776,903)
General and administrative expenses	(1,499,774)	(473,802)
Total operating expenses	(2,379,586)	(1,250,705)
Income from operations	**6,107,315**	**6,819,815**
Interest income	30,292	41,692
Others, net	(909)	(3,345)
Income before income taxes	**6,136,698**	**6,858,162**
Income tax expense	(1,744,005)	(1,724,099)
Net income	**$ 4,392,693**	**$ 5,134,063**
Other comprehensive income/(loss):		
Foreign currency translation adjustment	1,246,805	(1,020,318)
Total comprehensive income	**5,639,498**	**4,113,745**
Net earnings per ordinary share, basic and diluted	0.44	0.57
Weighted average number of ordinary shares, basic and diluted	10,000,000	9,000,000

SKILLFUL CRAFTSMAN EDUCATION TECHNOLOGY LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	For the six months ended September 30,	
	2020	**2019**
Cash flows from operating activities		
Net income	$ 4,392,693	$ 5,134,063
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation of property and equipment	1,657,961	1,069,520
Amortization of intangible assets	3,157,605	3,104,576
Loss on disposals of property and equipment	-	7,002
Changes in operating assets and liabilities:		
Accounts receivables	(24,284)	365,396
Prepayments and other current assets	(602,972)	(388,049)
Long-term prepayments and other non-current assets	28,509	(291,606)
Accounts payable	(149,822)	18,224
Amounts due to a related party	509,012	-
Deferred revenue	(2,939,360)	(1,732,645)
Other payables	768,911	187,950
Taxes payable	(213,411)	(692,252)
Net cash generated from operating activities	**6,584,842**	**6,782,179**
Cash flows from investing activities		
Purchases of property and equipment	(3,988,249)	(1,682,416)
Purchases of intangible assets	(2,254,100)	(4,043,574)
Purchases of other investments	(8,000,000)	-
Net cash used in investing activities	**$ (14,242,349)**	**$ (5,725,990)**
Cash flows from financing activities		
Proceeds from IPO net off IPO expenses	13,243,554	-
Net cash flows generated from financing activities	**13,243,554**	-
Effects of foreign currency translation	(67,122)	539,066
Net increase in cash and cash equivalents	5,518,925	1,595,255
Cash and cash equivalents at beginning of period	11,931,714	10,362,283
Cash and cash equivalents at end of period	**$ 17,450,639**	**$ 11,957,538**
Supplemental disclosures of cash flow information:		
Cash paid for income taxes	$ 1,974,038	2,327,558